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DEPARTMENT OF JUSTICE  
GENERAL COUNSEL DIVISION

December 18, 1996

VIA OVERNIGHT

DOCKET FILE COPY ORIGINAL

RECEIVED  
DEC 19 1996  
FCC MAIL ROOM

Office of the Secretary  
Federal Communications Commission  
Room 222  
1919 M Street, N.W.  
Washington, D.C. 20554

Re: CC Docket No. 96-45  
Universal Service Recommended Decision

Dear Secretary:

Enclosed for filing is an original and four copies of the Initial Comments of the Oregon Public Utility Commission with respect to the Joint Board's Recommended Decision in CC Docket No. 96-45.

Thank you for your consideration.

Sincerely,

A handwritten signature in dark ink, appearing to read "Joseph T. McNaught".

Joseph T. McNaught  
Assistant Attorney General  
Public Utility Section

tjh/JTM0735.LET

Enclosure

c w/enc: Service List  
Barbara Combs, PUC

No. of Copies rec'd  
List ABCDE

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**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION**

**Washington, D. C. 20554**

**RECEIVED  
DEC 19 1996  
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In the Matter of	)	
	)	
Federal-State Joint Board on	)	CC Docket No. 96-45
	)	
Universal Service	)	

**INITIAL COMMENTS OF THE  
OREGON PUBLIC UTILITY COMMISSION**

Under Oregon law, the Oregon Public Utility Commission (OPUC) is responsible for representing the customers of telecommunications utilities in rate, valuation and service matters, in order to protect them from unjust and unreasonable exactions and practices and to obtain for them adequate service at fair and reasonable rates. Part of its responsibility is to represent these customers before officers, commissions and public bodies of the United States. See ORS 756.040.

We appreciate this opportunity to comment on the decision of the Federal/State Joint Board. Our comments address the areas of basic services, federal requirements for state programs, changes in the Lifeline program, and proxy models.

1. **A white pages listing should be included in the basic set of services to be supported and made available to low-income customers.** The Oregon Public Utility Commission staff, in OPUC Docket UM 731, included a white pages listing in its recommended list of access parameters, and no parties in that proceeding objected. A white pages listing meets the criteria for a universal service. White pages listings are widely available from incumbent local exchange carriers, and are subscribed to by a substantial majority of customers. For example, more than 65 percent of US WEST's residential customers in its 14-state service area have white pages listings, and nearly 100 percent of businesses have them. Inclusion of a white pages listing is consistent with the public interest, convenience, and necessity, since it allows others to find the subscriber's number so that it can be called. Those desiring to locate the subscriber's telephone number may well be those concerned with the education, health, or safety of the subscriber. While we understand the logic behind defining a white pages listing as being outside of the scope of the definition of "telecommunications service" as defined by the Telecommunications Act of 1996, we also view a white pages listing as a necessary adjunct to telecommunications service. The logic used to include access to directory assistance at paragraph 67 could also be used to include a white pages listing in the definition of universal service. If a white pages listing continues to be viewed as outside the definition of telecommunications service, then the next best thing would be to guarantee access to being listed in the database available through directory assistance. At present, there is no provision that guarantees that a subscriber's telephone number will be listed in directory assistance, and future company policies about such listings should not be

assumed. Since access to directory assistance itself is proposed to be included in universal service, then access to being listed in the directory assistance database should be included, as well.

**2. The FCC should not set requirements for state programs related to discounts for schools and libraries.** At paragraph 573 it is recommended that, in order for a state to qualify for federal funding, the state discount has to be at least as high as the federal discount. Under this proposal, if a state determines that it does not have enough money to meet the federal program's discount level, even though it is willing to provide some contribution, schools will suffer. State programs should not have to rely in any way on the federal program. Indeed, with respect to discounts for educational providers and libraries, the Telecommunications Act of 1996 says, at 254(h)(1)(B): "The discount shall be in an amount that the Commission, with respect to interstate services, and the States, with respect to intrastate services, determine is appropriate and necessary..." The Telecommunications Act of 1996 does not authorize the Federal Communications Commission to require that states apply a particular discount in order to be eligible for federal support. It is entirely within the jurisdiction of the states to determine the discounts that are appropriate and necessary for intrastate services.

**3. If the Lifeline program is to be changed as described, the Lifeline level of support should be the same for all states regardless of whether a state has participated in the program in the past.** At paragraph 420, the Joint Board recommends that the FCC should seek information on ways to avoid the unintended result of a larger percentage of

total support for the Lifeline program coming from the federal government. There is no guarantee that states would continue with the current Lifeline program support levels in the future. If there is to be a blanket federal program with a basic level of support, it would be inequitable for some states to be granted a higher level of basic support than others. Any adjustments to support levels based on previous participation should not be adopted. Increasing federal support for all states, while an "unintended result", is preferable to making adjustments based on previous participation in the program by states who participated in good faith and did not expect to be placed at a disadvantage in the future.

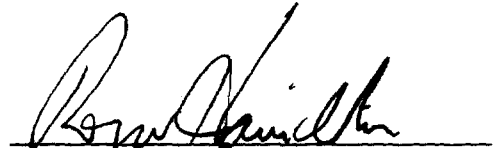
**4. The FCC should ensure that there are ample opportunities for state commissions to participate in workshops on the proxy model and influence the development of the model.** There were many issues discussed in the Joint Board's decision about which it is difficult to comment without knowing what proxy model will be used and what its outputs are. For example, without model outputs, it is not possible to critically review and comment on the Joint Board's recommendations about study areas. Without knowing the benchmark amount or the size of the fund needed to support universal service in high cost areas, it is difficult to comment on where the revenues should come from. We cannot assess the impact of the federal program on Oregon without knowing how much funding will be provided through federal support programs. These considerations, along with uncertainties regarding access charge reform and comprehensive review of separations, make it difficult to comment on the impact on small companies both during the time period when they would be using their embedded costs and after they have transitioned to

the use of a proxy model. Particularly for states such as Oregon, which have established their own High Cost Funds, more information is needed in order to comment on the impact of the new federal programs on universal service. We strongly urge that state representatives to the upcoming meetings on proxy models be given a major role to help insure an appropriate balance of state and federal support for universal service, and to help insure that the unique situations of the states are taken into account when the amount of support is calculated.

Respectfully submitted,

Oregon Public Utility Commission  
550 Capitol St NE  
Salem OR 97310-1380

December 13, 1996



Roger Hamilton  
Chairman



Ron Eachus  
Commissioner



Joan H. Smith  
Commissioner

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CERTIFICATE OF SERVICE

I certify that on the 18 day of December 1996, I served the foregoing INITIAL COMMENTS OF THE OREGON PUBLIC UTILITY COMMISSION upon the party(ies), hereto by mailing, regular mail, postage prepaid, a true, exact and full copy thereof to:

The Honorable Reed E. Hundt  
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Commissioner  
Fed Communications Commission  
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The Honorable Susan Ness  
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